

USPS-LR-R2010-4R/4

Docket No. R2010-4R USPS-LR-R2010-4R/4 Periodicals Worksheets

PREFACE

A. Overview of the Workpapers

USPS-LR-R2010-4R/4 contains the workpapers for the Periodicals Exigent price increase. This preface is accompanied by an Excel file, WP-PER-R2010-4R.xls, which documents both data sources and calculations for Periodicals prices for Docket No. R2010-4R. Because of the timing of this filing, hybrid year billing determinants are used throughout. These billing determinants cover the following periods: Q4 FY 2012 and Q1 through Q3 FY 2013.

In the Excel file, after the cover page and index, the next three tabs are: **Regular Rate BD**, **Nonprofit BD**, and **Classroom BD**. These three sheets provide the billing determinants for all of Outside County Periodicals including Science of Agriculture (SOA). Note that SOA volume is combined with Regular Rate volume except for the advertising pound volume rate cells in the Delivery Unit (DDU), Sectional Center Facility (SCF), Area Distribution Center (ADC), and Zones 1 and 2 entries. These SOA rate cells receive preferential treatment under the statute.

The **Outside County** tab calculates the postage using the R2013-10 prices as well as the new prices. The Limited Circulation discount dollar amount cannot be calculated for the adjusted prices because the billing determinants for these pieces are not available. Since this discount applies to the same rate cells as the preferred rate discount, the percent change in the calculated "preferred rate discount" dollar amount is used to calculate the Limited Circulation discount dollar amount for the adjusted prices. See section B.

The **Within County** tab - Determining Within County revenue is straightforward. The hybrid year billing determinants are used to calculate the new postage revenue. The **Passthroughs - OC Pcs** tab provides in a summary form the presort and automation passthroughs (discounts divided by avoided costs) for Outside County piece rates.

The **Price % of Cost-Bundle Contrib** tab provides the percentage of costs that are recognized in the various bundle, sack, and pallet prices.

The **Passthroughs - Within County** tab provides the presort, automation, and dropship passthroughs for Within County pieces.

B. Adjustment to the Billing Determinants

Billing Determinants as adjusted in Docket No. R2013-10 are used.

C. The Revenue Calculations

The last tab, **Summary**, shows the revenue and revenue per-piece under R2013-10 and new rates, along with the overall percentage change of 4.297% for the Periodicals mail class.